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APPLICATION NO.	FILING DATE	FIRST NAMED INVENTOR	ATTORNEY DOCKET NO.	CONFIRMATION NO.
09/883,384	06/19/2001	Frank L. Politano	107833	1064
83658	7590	05/14/2009	EXAMINER	
AT & T Legal Department - WS			DASS, HARISH T	
Attn: Patent Docketing				
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Bedminster, NJ 07921			3692	
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Please find below and/or attached an Office communication concerning this application or proceeding.

The time period for reply, if any, is set in the attached communication.

Office Action Summary	Application No.	Applicant(s)	
	09/883,384	POLITANO, FRANK L.	
	Examiner	Art Unit	
	HARISH T. DASS	3692	

-- The MAILING DATE of this communication appears on the cover sheet with the correspondence address --

Period for Reply

A SHORTENED STATUTORY PERIOD FOR REPLY IS SET TO EXPIRE 3 MONTH(S) OR THIRTY (30) DAYS, WHICHEVER IS LONGER, FROM THE MAILING DATE OF THIS COMMUNICATION.

- Extensions of time may be available under the provisions of 37 CFR 1.136(a). In no event, however, may a reply be timely filed after SIX (6) MONTHS from the mailing date of this communication.
- If NO period for reply is specified above, the maximum statutory period will apply and will expire SIX (6) MONTHS from the mailing date of this communication.
- Failure to reply within the set or extended period for reply will, by statute, cause the application to become ABANDONED (35 U.S.C. § 133). Any reply received by the Office later than three months after the mailing date of this communication, even if timely filed, may reduce any earned patent term adjustment. See 37 CFR 1.704(b).

Status

1) Responsive to communication(s) filed on 31 October 2008.

2a) This action is **FINAL**. 2b) This action is non-final.

3) Since this application is in condition for allowance except for formal matters, prosecution as to the merits is closed in accordance with the practice under *Ex parte Quayle*, 1935 C.D. 11, 453 O.G. 213.

Disposition of Claims

4) Claim(s) 1-4, 6, 7, 9-14, 16, 17 and 19-24 is/are pending in the application.

4a) Of the above claim(s) _____ is/are withdrawn from consideration.

5) Claim(s) _____ is/are allowed.

6) Claim(s) 1-4, 6-7, 9-14, 16-17, 19-24 is/are rejected.

7) Claim(s) _____ is/are objected to.

8) Claim(s) _____ are subject to restriction and/or election requirement.

Application Papers

9) The specification is objected to by the Examiner.

10) The drawing(s) filed on _____ is/are: a) accepted or b) objected to by the Examiner.

Applicant may not request that any objection to the drawing(s) be held in abeyance. See 37 CFR 1.85(a).

Replacement drawing sheet(s) including the correction is required if the drawing(s) is objected to. See 37 CFR 1.121(d).

11) The oath or declaration is objected to by the Examiner. Note the attached Office Action or form PTO-152.

Priority under 35 U.S.C. § 119

12) Acknowledgment is made of a claim for foreign priority under 35 U.S.C. § 119(a)-(d) or (f).

a) All b) Some * c) None of:

1. Certified copies of the priority documents have been received.
2. Certified copies of the priority documents have been received in Application No. _____.
3. Copies of the certified copies of the priority documents have been received in this National Stage application from the International Bureau (PCT Rule 17.2(a)).

* See the attached detailed Office action for a list of the certified copies not received.

Attachment(s)

1) Notice of References Cited (PTO-892)

2) Notice of Draftsperson's Patent Drawing Review (PTO-948)

3) Information Disclosure Statement(s) (PTO/SB/08)
Paper No(s)/Mail Date _____.

4) Interview Summary (PTO-413)
Paper No(s)/Mail Date. _____.

5) Notice of Informal Patent Application

6) Other: _____.

DETAILED ACTION

Acknowledgement: This office action is in response to applicant's communication of 10/31/2008. The examination of this application has been transferred to examiner Harish T. Dass, please, forward your communication to examiner Harish T. Dass.

Priority: 06/19/2001

Status of Claims:

Claims 5, 8, 15, 18 are canceled.

Claims 1-4, 6-7, 9-14, 16-17, 19-24 are pending.

Claim Rejections - 35 USC § 101

1. 35 U.S.C. 101 reads as follows:

Whoever invents or discovers any new and useful process, machine, manufacture, or composition of matter, or any new and useful improvement thereof, may obtain a patent therefor, subject to the conditions and requirements of this title.

Claims 1-4, 6-7, 9-10, 21-22 are rejected under 35 U.S.C. 101. Based on Supreme Court precedent and recent Federal Circuit decisions, the Office's guidance to examiners is that a § 101 process must (1) be tied to a machine or (2) transform underlying subject matter (such as an article or materials) to a different state or thing. In re Bilski et al, 88 USPQ 2d 1385 CAFC (2008); Diamond v. Diehr, 450 U.S. 175, 184 (1981); Parker v. Flook, 437 U.S. 584, 588 n.9 (1978); Gottschalk v. Benson, 409 U.S. 63, 70 (1972); Cochrane v. Deener, 94 U.S. 780, 787-88 (1876).

An example of a method claim that would not qualify as a statutory process would be a claim that recited purely mental steps. Thus, to qualify as a § 101 statutory process, the claim should positively recite the other statutory class (the thing or product) to which it is tied, for example **by identifying the apparatus that accomplishes the method steps, or positively recite the subject matter that is being transformed, for example by identifying the material that is being changed to a different state.**

Here, applicant's method steps fail the first prong of the new Federal Circuit decision since they are not tied to a machine and can be performed without the use of a particular machine. Thus, claims 1-4, 6-7, 9-10, 21-22 are non-statutory since they may be performed within the human mind. Applicant has failed to show that the amended limitation is processed by a machine.

The mere recitation of the machine with an absence of a machine in the body of the claim fails to make the claim statutory under 35 USC 101. Insignificant extra-solution activity will not transform an unpatentable principle into a patentable process (see John Love, Deputy Commissioner for Patent Examination Policy, memorandum Jan. 7, 2009).

Note the Board of Patent Appeals Informative Opinion Ex parte Langemyer et al-
http://iplaw.bna.com/iplw/5000/split_display.adp?fedfid=10988734&vname=ippqcases2&wsn=500826000&searchid=6198805&doctypeid=1&type=court&mode=doc&split=0&scm=5000&pg=0

Method claims 1-4, 6-7, 9-10, 21-22 are rejected

Claim Rejections - 35 USC § 103

2. The following is a quotation of 35 U.S.C. 103(a) which forms the basis for all obviousness rejections set forth in this Office action:

(a) A patent may not be obtained though the invention is not identically disclosed or described as set forth in section 102 of this title, if the differences between the subject matter sought to be patented and the prior art are such that the subject matter as a whole would have been obvious at the time the invention was made to a person having ordinary skill in the art to which said subject matter pertains. Patentability shall not be negatived by the manner in which the invention was made.

Claims 1-4, 6-7, 9-14, 16-17 and 19-20 are rejected under 35 U.S.C. 103(a) as being unpatentable over Rowe (US 2002/0198803 A1) in view of Fredregill et al (herein after Fredregill - US 5,923,016) and Soumas et al. (hereinafter Soumas - US 3,634,669).

Re Claim 1" Rowe discloses a method and apparatus for facilitating monetary and commercial transactions and for providing consumer reward programs comprising

- Depositing Value as principal corresponding to a consumed item (Page 1; paragraphs 0010-0013; '1 Skymile for every eligible dollar spent; paragraphs 0027-0028; defined transaction categories; Each of the plurality of transaction categories may each have its own independent reward program with each reward program defined independent of any other defined category or reward program.)

Rowe does not explicitly disclose wherein the earned value is solely for future consumption of the consumed item and Accruing earned value on the principal and an interest rate applied to the principal.

However, calculating interest on principal based on the interest rate compounded annually is well known where interest earned at the end of period (e.g., year) is equal to principal times the interest rate (yearly interest). For example \$50.00 @ 5% the interest is $50*5/100 = \$2.5$ earned interest at the end of the year. This compound earned interest is used in banking for saving accounts to calculate the interest earned periodically on the principal balance of the account.

Fredregill discloses an in-store points redemption system wherein customers can redeem accumulated points only at the retailer outlet associated with those purchases (Abstract). It would have been obvious to a person of ordinary skill in the art to include the teaching of Fredregill to the disclosure of Rowe so that each retailer may have its own independent reward program defined independent of other reward programs.

Soumas explicitly discloses Accruing earned value on the principal and an interest rate applied to the principal [col. 4 lines 446-56; col. 8 line 74 through col. 9 line 50]. It would have been obvious at the time the invention was made to a person having ordinary skill in the art to combine the disclosures Rowe, Fredregill and Soumas to provide a computer based investment calculator or spread sheet which enables one to determine the future value of his/her saving based on desired annual interest rate incrementally for different interest rate/terms or at a fix interest rate/terms.

Re Claim 2: Rowe further discloses the steps comprising

- Maintaining an account for a consumer that consumed the consumed item (paragraphs 0023-0027)
 - Permitting withdrawal of the earned value for future consumption of the consumed item based on terms of an agreement for the account (paragraphs 0028-0029)

Re Claim 3: Rowe further discloses the steps comprising

- Updating the principal based on one or more deposits of consumed items (Paragraph 0148) and;
- Generating a balance of accrued earned value on a schedule based on the agreement (paragraph 0148)

Re Claim 4: Rowe discloses the claimed method supra and further discloses the step wherein the account comprises one or more or a savings consumable account, a certificate of deposit and a mutual consumable fund (Paragraphs 0046-0051).

Re Claim 6: Rowe further discloses the steps comprising receiving information from one or more suppliers and updating consumer accounts based on the received information (paragraph 0137).

Re Claim 7: Rower discloses the claimed method supra and further discloses the steps wherein the information, comprising one or more of:

- One or more new interest rates to replace current interest rates for one or more consumer accounts
- One or more new consumer accounts
- One or more new maturation dates to replace current maturation dates and;
- One or more principals updates to increment or decrement current principals and;
- One or more earned values to increment or decrement current earned values (paragraphs 0137 and paragraph 0159).

Re Claim 9: Rowe discloses the claimed method supra and further discloses the steps comprising on or more of

- Transferring principal from a consumer account to another consumer account
- Withdrawing earned value from a consumer account
- Depositing additional value to a consumer account and;
- Changing parameters of a consumer account (Paragraph 0163-0164).

Re Claim 10: Rowe further discloses the steps wherein the principal comprising one or a combination of two or more of:

- Value corresponding to consumed items
- A number of times purchases were made
- A number of times a supplier was visited

- A value for consumed items based on a table of values corresponding to items and;
- A value corresponding to an amount spent during a period of time (paragraphs 0010-0013).

Re Claims 11-14, 16-17 19 and 20: Further system claims would have been obvious to perform previously rejected method claims 14, 6-7, and 9-10 respectively and are therefore rejected using the same art and rationale (Also see fig 2A for system layout).

Claims 21-24 are rejected under 35 U.S.C. 103(a) as being unpatentable over Rowe, Fredregill and Soumas as applied to claims 1, 11 above, and further in view of Bloom (Jennifer Kingson Bloom. "New B or A Card Offers Discounts on Bank Products. American Banker. New York, N.Y.: Dec 1, 1997. Vo1162, Iss. 229: p.q 23 (3 page)).

Re Claim 21: Rowe in view of Fredregill and Soumas discloses the claimed method supra but does not explicitly disclose the step of reducing accrued earned value based on a predetermined condition. Bloom discloses a credit card rewards program that contains tiered levels of rewards, in this case a reduction of interest rates on the card balance, based upon the total expenditures of the card (Page 2, paragraphs

8-11). Essentially if a customer spends more money on their card, then the interest rate on that balance will be reduced. It follows then that if certain preconditions were not met (i.e. level of expenditure) than the earned value will be reduced. It would have been obvious to anyone skilled in the ordinary art at the time of invention to include the teachings of Bloom to the method of Rowe in order to entice people to spend more money on their credit card, thus providing the issuer of the card with higher revenues. A flat reward rate provides no incentive to spend more, however increasing the rewards in lockstep with expenditures might entice the credit card holders to spend more in order to achieve the higher rewards.

Re Claim 22: Rowe in view of Fredregill and Soumas in view of Bloom discloses the claimed method supra and Bloom further discloses the step further comprising wherein the predetermined condition includes one or more of: if a consumer of an account does not consume a predetermined amount of a consumable item and if a consumable item from another supplier is consumed. Bloom points out that a customer who does not consume a certain amount of purchases will not achieve the highest rewards. In other words, if certain threshold expenditure values are not met, the higher set of rewards is not activated.

Re Claims 23 and 24: Further system claims would have been obvious from previously rejected method claims 21 and 22 respectively and are therefore rejected using the same art and rationale.

Response to Arguments

3. Applicant's arguments with respect to amended claims have been fully considered but are moot in view of the new ground(s) of rejection.

Conclusion

4. Applicant's amendment necessitated the new ground(s) of rejection presented in this Office action. Accordingly, **THIS ACTION IS MADE FINAL**. See MPEP § 706.07(a). Applicant is reminded of the extension of time policy as set forth in 37 CFR 1.136(a).

A shortened statutory period for reply to this final action is set to expire THREE MONTHS from the mailing date of this action. In the event a first reply is filed within TWO MONTHS of the mailing date of this final action and the advisory action is not mailed until after the end of the THREE-MONTH shortened statutory period, then the shortened statutory period will expire on the date the advisory action is mailed, and any extension fee pursuant to 37 CFR 1.136(a) will be calculated from the mailing date of the advisory action. In no event, however, will the statutory period for reply expire later than SIX MONTHS from the date of this final action.

Any inquiry concerning this communication or earlier communications from the examiner should be directed to HARISH T. DASS whose telephone number is (571)272-6793. The examiner can normally be reached on 8:00 AM to 4:50 PM.

If attempts to reach the examiner by telephone are unsuccessful, the examiner's supervisor, Abdi Kambiz can be reached on 571-272-6702. The fax phone number for the organization where this application or proceeding is assigned is 571-273-8300.

Information regarding the status of an application may be obtained from the Patent Application Information Retrieval (PAIR) system. Status information for published applications may be obtained from either Private PAIR or Public PAIR. Status information for unpublished applications is available through Private PAIR only. For more information about the PAIR system, see <http://pair-direct.uspto.gov>. Should you have questions on access to the Private PAIR system, contact the Electronic Business Center (EBC) at 866-217-9197 (toll-free). If you would like assistance from a USPTO Customer Service Representative or access to the automated information system, call 800-786-9199 (IN USA OR CANADA) or 571-272-1000.

/Harish T Dass/
Primary Examiner, Art Unit 3692

5/12/2009